

SENATE BILL NO. 125

INTRODUCED BY R. WEBB

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A REAL PROPERTY TAX EXEMPTION FOR  
5 LARGE INCREASES IN PROPERTY VALUE; PROVIDING AN EXEMPTION FOR THE PORTION OF TOTAL  
6 APPRAISED VALUE THAT EXCEEDS THE TOTAL APPRAISED VALUE IN THE PREVIOUS REAPPRAISAL  
7 CYCLE BY MORE THAN 10%; PROVIDING FOR CARRY FORWARD OF THE EXEMPT VALUE TO A  
8 REAPPRAISAL CYCLE IN WHICH THE TOTAL APPRAISED VALUE DOES NOT EXCEED THE TOTAL  
9 APPRAISED VALUE IN THE PREVIOUS REAPPRAISAL CYCLE BY MORE THAN 10%; PROVIDING AN  
10 EXCEPTION IF THE INCREASE IN APPRAISED VALUE IS DUE TO NEW CONSTRUCTION, REMODELING,  
11 OR RECLASSIFICATION; AND PROVIDING AN APPLICABILITY DATE."

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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15 **NEW SECTION. Section 1. Exemption for large increases in appraised value -- exception.** (1)  
16 There is an exemption for real property with a total appraised value that exceeds the total appraised value in the  
17 previous reappraisal cycle, provided for in 15-7-111, by more than 10%.

18 (2) The exemption provided for in this section is for real property in all property classes provided for in  
19 Title 15, chapter 6, part 1.

20 (3) (a) The portion of the total appraised value that exceeds the total appraised value in the previous  
21 reappraisal cycle by more than 10% is exempt from taxation under this chapter.

22 (b) The exempt portion of the appraised value must be carried forward to the next reappraisal cycle in  
23 which the total appraised value does not exceed the total appraised value in the previous reappraisal cycle by  
24 more than 10%. The carry forward of the exempt portion of the appraised value must continue until the property  
25 is valued at the total appraised value.

26 (4) The department shall include in the notice provided for in 15-7-102 the total appraised value, the  
27 appraised value that is exempt under subsection (3)(a), the appraised value that is carried forward to the current  
28 reappraisal cycle under subsection (3)(b), and the appraised value that will be carried forward to future  
29 reappraisal cycles under subsection (3)(b).

30 (5) The exemption provided for in this section may not be granted on a property if the total appraised

1 value exceeds the total appraised value in the previous reappraisal cycle by more than 10% because of new  
2 construction, remodeling, or reclassification. The department shall grant the exemption only for that portion of the  
3 property that was not newly constructed, remodeled, or reclassified if the total appraised value exceeds the total  
4 appraised value in the previous reappraisal cycle by more than 10%.

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6 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an  
7 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

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9 **NEW SECTION. Section 3. Applicability.** [This act] applies to property tax years beginning after  
10 December 31, 2017.

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